

a subsidy of so many dollars per mile to aid in its construction, and not only that but our own people assist with money bonuses the construction of our railroads in that Province?

Sir JOHN A. MACDONALD. Hear, hear.

Mr. IVES. And I presume it is the same with other Provinces in the Dominion; yet we find hon. gentlemen, whose constituents are in the habit of putting their hands into their pockets to assist railroads at home, object to committing this House to this measure which gives a company the right of way to the North-West, built for the special purpose of the settlers there.

Sir LEONARD TILLEY. Hear, hear.

Mr. IVES. I am surprised to hear this objection raised when we are about to make a definite arrangement which will relieve us of the obligation to build the road, an obligation which those hon. gentlemen have often declared to be an onerous one. Then, Sir, there are three other objections. It does not do for hon. gentlemen to urge their objections consecutively, because they are inconsistent with each other; they first urge one and then throw in an interlude, and then another, and then throw in another interlude, and then urge a third. These three objections are: first, that the Company need not invest any of their own capital in the undertaking, since once they have paid a million security, and subscribed five millions and paid up 30 per cent. of it, the individuals signing this contract are personally discharged, and the liability becomes a liability of the Company; second, that the exemption of the Company's lands from taxation for 20 years after their grant by the Crown, will cause the Company to hold these lands at large prices, to the retarding of settlement and the injury of the settler on the remaining Crown lands; third, that the Company have entire power to fix, and will fix, very high freight rates, amounting to a tax of \$4 per acre on the lands cultivated by the farmers of the North-West. Now, let us look at these objections. I take it that the Syndicate will either fulfil their contract and complete and operate the road, or they will not. If they fulfil the contract, the security is fully met; if they do not, they will not hold the lands and will not have the fixing of high or low rates for traffic. If they carry out their contract, they must either sell the lands to obtain money to do so, or else put their own money into the work. If they put their own money into it we shall have security for the building and operating of the road, and we shall have security that they will not do it at a rate that will retard traffic or discourage settlement. We can thus easily see the foolishness of the arguments that hon. gentlemen have urged upon these points. As to the objection that these lands will be exempt from taxation for 20 years—I am speaking of this undertaking as an obligation of the older Provinces of this Dominion to construct this railway,—I ask hon. gentlemen in what way they could carry forward that enterprise, which would cost the older Provinces of the Dominion so little, as the way which the contract suggests. If you reject this contract on that ground, what follows? This follows: that we revert to the old state of things. The Government do not thereby become absolved from the obligation of building the road; they must necessarily take it up and carry it on as a Government work, as they have hitherto done. Then what about exemption from taxation? Would these lands be exempt from taxation in that case until they were sold? Sir, I look upon the argument that was urged by the hon. leader of the Opposition, that the Company have the very greatest interest in the disposing of these lands—that the transportation of the grain raised from these lands was that to which they have to look for a revenue, as being a most important argument. I believe it will be the interest and policy of these gentlemen, who are on all sides

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acknowledged to be gentlemen of good sense and business ability, to dispose of those lands on easy terms and as rapidly as they are able to do so. But it is said they may not take the lands from the Government, even when they have a right to them, until they find an opportunity of selling them, and in this way may prolong this period of exemption indefinitely. Surely the Government can compel these gentlemen to take an assignment of these lands when they become entitled to them. When we consider that this is the one particular in which we can make the scheme a taking one, financially speaking, without costing us a dollar, I must say I am surprised to hear this objection raised, especially by members representing the older Provinces of this Dominion. As to the security for the construction of the road, the hon. leader of the Opposition, in the course of his speech the other evening, furnished us with the most conclusive argument that the Syndicate would complete every section of this road. After showing us that the Syndicate were likely to make a good deal of money out of the construction of the central section, he went on to show us that they would make \$3,000,000 more by constructing the western and difficult part of the central section, than they would by not constructing it. Surely, if these men are the hard-hearted men they are represented to be, they will not drop that three millions. The hon. gentleman also showed us that they would make \$833,000 more by constructing the line north of Lake Superior than by not constructing it. Now, we do not want any better argument that the Syndicate will build these portions than this argument, furnished by the hon. gentleman himself. Then we are told that there may be very high rates fixed, and that the settlement of that country may be retarded, and the prosperity of that country prevented thereby. Sir, it is admitted on all hands that the Government of this country have the fixing of the rates for traffic on this road. But even if the Government had not the fixing of the rates, surely it would not be contended that men of their business capacity would fix such rates of traffic as would prevent the raising of wheat in that country. But I ask hon. gentlemen to state the rate per mile they would fix on the different classes of freight. I ask them if this contract prescribed rates which the House would approve of, whether any company in the world could possibly float the scheme. The Government might have agreed to very high rates, to rates which the Syndicate could have satisfied capitalists were paying rates; but we could not have approved of such rates. We would have said: these rates are prohibitive, these rates will retard the development and settlement of that country; and we could not have agreed to them. But suppose the contract had fixed rates which would, perhaps, be paying rates after the country became settled with a population of two or three millions, then the project would have been entirely unsuccessful, for no capitalists would have been found to invest in the scheme, as, for many years to come, the road must have been operated at a loss, or, at all events, there must have been a great degree of uncertainty about it. Then it is objected that steel rails, fish-plates, other fastenings, spikes, bolts, iron, timber, material for bridges to be used in the construction of the railway and telegraph line, are to be admitted free of duty. Suppose we reject this contract on that ground, what follows? As I said before, the Government must proceed to construct the road, and in that case all these articles come in free of duty. But, hon. gentlemen argue this matter, as if the admission of everything had been made free of duty under this contract. We forget that locomotives, cars, picks, shovels, carts, waggons, harness, horses, axes, steel for drills, powder, boots, ready-made clothing, food supplies, and a thousand other things, that will be used in the construction of the Pacific Railway, in immense quantities are not to be admitted free of duty, and they also